

Insurance Backgrounder

The following is not intended to offend anyone, and is probably no news to most members, but is written to assist members in obtaining the appropriate cover for their needs, and for the type of racing they intent to participate in.

What insurance cover do you need?

That is entirely up to each member, you can insure your boat for third party property only, for its partial value, for its full value, or not insure it at all, totally up to you.

What insurance cover do you need if your boat is stored at GLYC?

You need at minimum third party property and third party liability to \$10M. If your boat blows over and damages another boat, if you mast falls and hurts someone, if your trailer tyre blows out and harms someone, if your boat catches fire and burns the boat alongside, you need insurance cover to protect any third party. This is required through the Storage Policy and details of your insurance policy should be provided at time of storage renewal.

What insurance cover do you need if you sail in races at GLYC?

Again, you need at minimum third party property and third party liability to \$10M. If you are involved in a collision or other incident on the water, it is your decision as to whether or not damage to your boat is covered, but you **MUST** have cover to protect the other boat and persons on that other boat.

* If you are sailing a Twilight or Ancient Mariners where the documented rules for that race (NoR) state that spinnakers are not permitted, then the Club policy is that you must have a policy that says you remain covered for third party liability while social racing.

* If you are sailing on a Sunday or any other race, the Club policy is that you must have a policy that says you remain covered for third party liability while racing.

So do I or don't I need racing risks extension?

This is unfortunately so complex a question that the Club cannot assist other than to provide the general information below which may help you to make a decision. Remember that should your cover fail and your insurer refuse to honour the policy, it is your personal assets that will be sued by any injured party. This information is from the Club's own enquiries of insurers and cannot be relied upon for decision making, you must undertake your own enquiries with your chosen insurer with regard to cover whilst racing.

It is suggested to protect yourself that you specifically ask your insurer to provide you in writing with a statement saying that your policy provides cover when racing your yacht.

Our investigations have revealed that at the first level there is a major difference in the way companies structure their cover.

- Some like RACV and Club Marine have general exclusions that make it clear that you have NO COVER AT ALL if you race your boat without a racing risks extension;
- Others like QBE and CGU will not cover any damage to your boat if you race without a racing risks extension, but will (may?) still provide third party liability for the other boat and other persons.

Beyond this primary difference the companies also vary widely in what is included in their basic, no extras, boat insurance cover. The following is a summary of what we have found to date.

- * CGU (Bendigo Bank) includes social racing in the standard policy, full racing cover is extra.
- * Club Marine includes social racing (no spinnakers, <25NM) in the standard policy, full racing cover is extra.
- * Nautilus Marine includes full racing cover (<100 NM) in the standard policy (and obviously social races are included in that).
- * RACV does not include any racing cover in the standard policy, even if you just want cover for social races you still have to take out full racing cover.
- * Apia does not provide a social racing option, any type of racing requires an optional racing risks extension (same offer as RACV).
- * QBE does not include any racing cover in the standard policy, but has options for either social racing cover, or full racing cover extensions.
- * YOUI is confusing, the current PDS allows you to take out social racing cover as an extra, full racing cover is not available. Earlier PDSs had different definitions and inclusions.
- ** OTBs (off the beach dinghies/cats) - try Australian Sailing's [insurance plan](#) for insurance from someone who actually knows what a dinghy is and what a dinghy does. Select your OTB class, select how much you want to insure it for, and the premium is shown on the page.

Or alternately, try <http://www.stewartinsurance.com.au/dinghy-insurance> for simple dinghy insurance. Only \$125 p.a. for TPO.